

GUIDE FOR STATE AGENCY STRATEGIC PLANNING

**State of Iowa
Revised April 2007**

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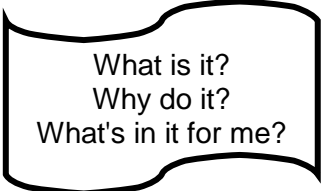
ACCOUNTABLE GOVERNMENT ACT: IMPLEMENTATION TASKS

Tasks	Components	Responsible Party	Due Date	Due To
Develop a 3-5 Year Enterprise Strategic Plan	<ul style="list-style-type: none"> Assessment Vision Mission Goals with Measures Strategies 	Department of Management and Enterprise Planning Teams, with the Governor's Office	August 2 - draft Sept. 1 - final	Department of Management
Develop a 3-5 Year Agency Strategic Plan	<ul style="list-style-type: none"> Assessment Vision Mission and Core Functions Goals with Measures Strategies 	Agency Leadership with Stakeholder Input	October 1- draft December 31- final (3-5 year cycle with annual updates if warranted)	Department of Management
Develop an Annual Agency Performance Plan	<ul style="list-style-type: none"> Core Functions Outcomes Performance Measures (outcome) and Targets Services, Products and/or Activities Performance Measures and Targets Strategies/Recommended Actions 	Agency Leadership with Stakeholder Input	July 1 - submit final plan August - enter performance information into I/3 Budget	Department of Management
Develop an Annual Agency Performance Report	<ul style="list-style-type: none"> Introduction Agency Overview Strategic Plan Results Performance Plan Results Resource Reallocation 	Agency Leadership with Stakeholder Input.	December 15	Department of Management

STRATEGIC PLANNING OVERVIEW

Strategic planning describes the future we want to create. It is basic to an agency's effort to allocate resources and measure results.

Strategic planning makes it possible to align agency goals and strategies with customer needs and helps target scarce resources more effectively by clarifying desired results.



What is it?
Why do it?
What's in it for me?

Strategic planning also provides the basis and context for making organizational cultural changes and ensures that individual agency perspectives can be included in the enterprise planning process.


Most importantly, an agency's strategic plan clarifies, for internal and external customers, the goods or services the agency intends to provide and the strategies employed to realize results. When done well, strategic planning helps agency leaders to organize, direct, and support strategies leading to results.

Finally, a comprehensive and inclusive strategic planning process is a powerful vehicle for fostering cooperation and unity of purpose among employees, thus sustaining commitment to the future of the agency.

How Strategic Planning Fits into the Way the State of Iowa Does Business

Under the Accountable Government Act (AGA), Iowa is implementing a comprehensive and integrated performance governance system. The purpose of this system is to produce results valued by Iowans in the most effective and efficient way we can.

The diagram on the following page outlines the five basic elements of our governance system.

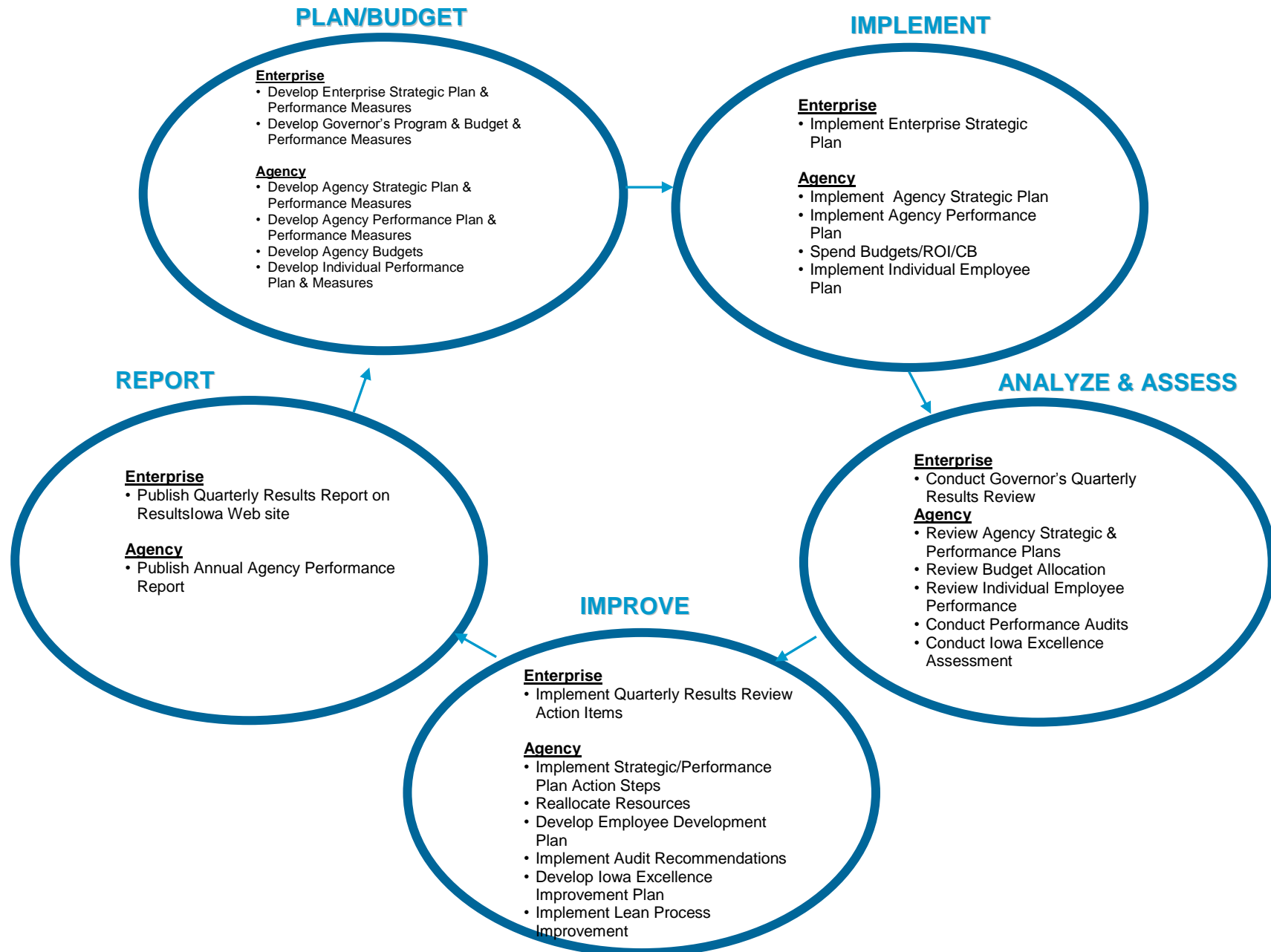


Governance:
"A method or
system of
government or
management."

In one sense, this system works as a cycle. First we plan: what results should we achieve and how will we achieve them? Then, we use plans to allocate resources. With our plans as guides and resources as fuel, we implement goals and strategies to produce results for Iowans. To know what we're accomplishing and to guide improvement efforts, we measure and analyze our results. Finally, we communicate results and other important messages to internal and external audiences. All of the experiences and learning that come from this cycle feed back into planning for the next cycle.

This cycle is not a simple linear process, however. While it has a basic flow, each element may also be influencing others at any time. Examples include, public information officers communicating results to stakeholder groups at any time, managers using performance data to help make resource allocation decisions and to improve work processes, and leaders revising plans in the middle of the cycle to meet new demands.

Accountable Government Act = Iowa's Governance



Alignment

Alignment is a key underlying theme of the AGA, relating the different components of the AGA, including strategic planning, performance planning, performance measures and budgeting.

Alignment in Iowa's governance system means that our priorities, resources, and efforts are all working together to achieve the enterprise and agency strategic goals. We are aligned when the Governor and Lt. Governor have established one set of priorities, and efforts within an agency are focused on the attainment of those goals.

We can ensure alignment in several different ways. First, we should align our agency strategic plans and resources with the enterprise strategic plan and priorities. To align, each agency can ask: What can we do to help achieve the enterprise vision and goals? Coordinating with Enterprise Planning Team members, we include answers to that question in our agency strategic plans. While focusing priorities and resources on achieving enterprise goals, remember that much of an agency plan may still be concerned with fulfilling statutory mandates unrelated to the enterprise goals.

Alignment also means that all state employees can see and understand how their work contributes to the achievement of enterprise and/or agency goals. Just as an agency strategic plan supports enterprise goals, employees' position descriptions and annual individual performance plans should show how they support the achievement of agency goals.

As part of Results-based Budgeting, the agency strategic plan will align with the budget at the core function level. Core functions will generally correlate to the budget at the appropriation level.

ELEMENTS OF AGENCY STRATEGIC PLANS

Strategic planning is a process that looks at data and factors from the recent past and the present, while anticipating the future. The state of Iowa's strategic planning process asks agencies to look three to five years into the future to lay out essential goals, strategies, and measures to ensure that it remains focused on and makes progress toward achieving its vision and mission. At the end of the three to five year window, a new plan should be developed. Agencies are encouraged to review their plans on an annual basis, and, if appropriate, refine the plan.

The process entails strategic thinking regarding information from both an internal and external assessment to develop the agency's vision statement, mission statement and core functions, goals and strategies. A successful strategic planning effort requires the commitment of agency leadership and input from employees, the public, customers and major stakeholders, all of whom have an interest and investment in the agency and its success. This input can be direct, through involvement of representatives from these groups in the formal plan development process, or indirect, from needs assessments, surveys, focus groups, budget hearings or Web-based forums.

ELEMENTS OF AGENCY STRATEGIC PLANS

- | | |
|---|---------------------------------|
| 1. Mission Statement and Core Functions | 4. Guiding Principles* |
| 2. Vision Statement | 5. Goals (3 to 5) with Measures |
| 3. Assessment | 6. Strategies |

* Optional

1. Mission Statement

A mission statement is a broad comprehensive statement of the agency's purpose. It defines what the agency is and why it exists. A mission statement may define a geographical location an agency operates within or an area served. The words of intent in the mission statement must be able to be translated into goals, strategies, and actions focused on results.

Criteria for a Mission Statement

- ✓ Tells what the agency does
- ✓ Tells who the agency serves
- ✓ Tells how the agency provides services
- ✓ Tells why the agency exists

Developing a Mission Statement:

Development of a mission statement is often done through a team approach. It should also reflect the benefits your stakeholders care about, while supporting the Enterprise Strategic Plan and key agency functions.

The Iowa Code language that identifies the powers and duties of an agency or department provides an excellent starting point to begin to think about the mission.

The accompanying Mission Development Template can be a helpful tool in developing a mission statement. The template key discussion items that will help define and clarify the mission.

Mission Development Template	
Who we are:	
What we do:	
Who we do it for:	
How we do it:	
Why we do it:	
MISSION STATEMENT:	

Mission Statement Examples

- To provide authorized users the highest quality and technologically advanced educational, medical, judicial, and governmental telecommunications services. (Iowa Communications Network)
- The mission of the Iowa Veterans Home is to provide quality interdisciplinary care for the veteran residents and spouses so that their optimum level of dignity, self-worth, wellness, and independence may be achieved. (Veterans Home)
- Lead enterprise planning and coordinate enterprise systems so Iowans receive the highest possible return on public investment (Management)
- "The Department of Inspections and Appeals will administer and enforce state and federal laws to provide for the protection of the public interests and ensure program integrity in programs and services administered by the executive branch." (Inspections and Appeals)

Vision Statement

A vision statement describes the agency in the future. It provides a picture of the future as seen through the eyes of the customers, stakeholders, employees, and lowans. A great vision statement is one that will not only inspire and challenge, but will also be meaningful enough that employees will be able to relate it to their jobs.

Developing a Vision Statement: Vision statements are often crafted through teamwork. The participatory process needs to take place in a setting where everyone's opinion is valued and everyone feels free to be creative.

Criteria for a Vision Statement

- ✓ Descriptive of the future
- ✓ Brief
- ✓ Inspiring
- ✓ Challenging
- ✓ Believable

Vision Statement Examples

- A safer Iowa through reduced criminal behavior in Iowa communities (Corrections)
- Full participation by women in the economic, political and social life in Iowa (Human Rights-Commission on Status of Women)

2. Assessment

An effective assessment identifies the internal strengths and limitations of an agency, as well as external threats and opportunities. It also evaluates an agency's capacity to respond to issues identified and determines whether or not those issues are of a critical nature. It should include a review of resources, agency structure, services, products, activities, mandates, and policies that support or hinder the achievement of desired results. In brief, the assessment process analyzes major factors that are likely to influence how a vision and mission are carried out and anticipates barriers to achieving results.

The external assessment paints a picture of the environment in which an agency is operating and how that environment will shape the challenges faced by the agency during the time period addressed by the strategic plan. The content of external assessments will vary from agency to agency, based on agencies' missions, clientele, and history; therefore there is no "cookie cutter" to guide the creation of external assessments. There are some useful criteria that are likely to prove relevant to the design of external assessments for different agencies. These include the following:

- A description of the population served by the agency, and major trends affecting that population. The choice of exactly what factors should be included in the

trend analysis is specific to each agency and its role. For agencies that serve the general population, census data are likely to be a significant source of information. For agencies that primarily serve other state agencies, information on the state workforce and trends affecting it may be relevant.

- Public opinion survey data, customer satisfaction survey data, and focus group data on perceptions of the agency are likely candidates for inclusion in an external assessment. Data do not always exist or may not be current, but this type of information can be useful if available.
- Information on national or state trends in areas directly relevant to the mission of the agency may be useful elements to include in an external assessment. Examples might include data on crime, traffic accidents, or fire loss for the Department of Public Safety, data on poverty rates for the Department of Human Services, or data on unemployment trends or labor market information for Iowa Workforce Development. Note that data useful in an external assessment *may* be data that the agency collects and publishes.
- Systematic trend data is optimal for inclusion in the external assessment, but carefully chosen anecdotal information may also be useful to include. This should be done cautiously, as there is a risk of choosing such information in a selectively biased manner.

Iowa Excellence

The Iowa Excellence process can serve as the internal assessment and the basis of developing internal aspects of your strategic plan.

Iowa Excellence is an enterprise-wide effort designed to improve customer service and cut costs in state government. State agencies examine their performance using Malcolm Baldrige National Quality Program criteria. These criteria directly align with Iowa state government's seven guiding principles. Areas assessed include:

- How an agency sets and communicates direction and supports key communities
- How the organization looks to the future
- How customers and their requirements are identified
- How data is used in decision making
- How the agency develops employees and encourages innovation and learning
- How day-to-day operations are managed and improved
- What results were achieved

The self-assessment process lays the groundwork for agencies to build and implement improvement plans designed to close performance gaps and achieve results that are important to Iowans. Data from the assessment process can also be used to identify agency strategic goals and strategies. For agencies that have not completed the Iowa Excellence process, these same questions can form the basis of the internal assessment for the agency's strategic plan.

3. Guiding Principles

State of Iowa Guiding Principles

- ✓ Leadership
- ✓ Strategic Planning/Deployment
- ✓ Customer Focus
- ✓ Performance Measurement & Analysis
- ✓ Employee Engagement
- ✓ Continuous Improvement/Lean
- ✓ Results

Guiding principles are the core values and philosophies describing how an agency conducts itself in carrying out its mission. Guiding principles are a foundation of beliefs supporting the vision and mission. They guide decision-making and the way the agency does business.

NOTE: Having guiding principles in your strategic plan is optional. For many agencies using the State of Iowa Guiding Principles is a good option. Other agencies may wish to expand upon these with additional guiding

principles that are important to their agency, or start from scratch and develop their own.

4. Goals with Measures

Goals are the desired benefits or results to be achieved to carry out the mission of the agency and fulfill the vision. Goals are broad statements that often require coordinated action or collaboration and may involve more than one agency. They are statements of intent that set future direction, but in a way that is measurable. For Iowa's strategic planning purposes, agencies should identify three to five goals that extend three to five years into the future.

Iowa State government's focus on achieving results for Iowans changes the expectations of employees, stakeholders, and customers. It is no longer sufficient to just have results-oriented goals. It is also necessary to measure the impact we are having and to know where we are on the path to achieving results. We do this with performance measures.

Criteria for a Goal

- Results-oriented
- Important
- Useful
- Measurable
- Reflective of the assessment findings
- Realistic
- Aligned with
 - the Enterprise Strategic Plan
 - the agency's mission and vision statements and priorities

There are several kinds of performance measures that are often referred to as a "family of measures." As with any "family," each member can provide critical information but it takes all of the members to paint the picture in full detail. However, it is crucial that we be prudent about what and how we measure. Please refer to the performance measures guidebook for guidance on development of performance measures. The manual provides details about the factors to consider when identifying what and how to measure.

Goals Examples

- Improve the voluntary compliance with Iowa's tax system.
- Empower local communities to address youth development and juvenile justice issues.
- Reduce the impact of illegal drugs on Iowa citizens.
- All children will be raised in a safe and secure environment.

Measures Examples

- Percent of tax due, not paid.
- Percent of local planning regions with comprehensive strategic plans for youth development and juvenile justice that identify potential multi-source funding.
- Percent of criminals sentenced to prison or jail for illegal drug offenses or with illegal substance abuse problems.
- Founded child abuse and neglect rate.

5. Strategies

Criteria for Strategy Development

- ✓ Customer focused
- ✓ Cost and benefit effective
- ✓ Best alternative given constraints
- ✓ Realistic

Strategies are general methods or overall approaches used to achieve goals. Strategies are linked to the agency performance plan, which is used to operationalize the strategic plan. Although the performance plan is not part of the strategic plan, it includes tactical follow-up to the strategic plan. A performance plan lists the steps that must be taken to implement strategies and accomplish goals.

In your performance plan, you outline the specific actions steps you will take to implement the strategies. The following are example strategies and action steps that might fall under the accompanying goals.

Goal: All children arrive at kindergarten ready to learn

Strategy: Provide high quality childcare

Action Step: Develop licensing and education requirements for childcare providers

Goal: Lower incidence of heart disease

Strategy: Provide better preventative health care

Action Step: Develop a public service announcement campaign encouraging people to ask their doctors about leading healthier lifestyles

Goal: Improving student achievement

Strategy: Hire and retain quality teachers

Action Step: Provide teachers with higher compensation linked to capabilities that have been proven to improve student achievement

As you can see, strategies do not tell you specifically what to do; they provide direction. In a strategic plan, strategies show generally what kinds of approaches will be pursued to achieve goals.

USING THE AGENCY STRATEGIC PLAN

The strategic plan may be the single most important document an agency possesses. The benefits of a strategic plan may include the following:

- Guides decisions on resource allocation (annual budget).
- Facilitates the development and use of performance measures.
- When used in conjunction with performance measures, gauges progress towards desired results.
- Can help to align enterprise and employee goals (provides the “big picture of connectivity.”)
- Guides human resource decisions, especially recruitment and hiring.
- Provides an excellent vehicle for on-going employee communications, and to promote and market your products and services to your customers.
- Can be used at staff meetings as the foundation for reviewing progress and continually soliciting input.
- Can be used for employee orientation.
- Can be used as the cornerstone for on-going planning changes (don’t need a “new” plan every year).
- Can be used with performance data to demonstrate accountability to customers.
- Can be used as a tool for employee performance plans and evaluations.
- Can be used as the foundation for making decisions on proceeding or not proceeding with future opportunities.

Revisiting and revising the strategic plan annually will help keep it relevant and useful, although it does not need to be rewritten annually. Consider a major rewrite every three to five years, when circumstances substantially change goals or the operating environment.

